App. F. IX-4

1926

File No. 47-26

Serial Nos. 1

Previous references.

Geol 16 f-12 (5-9) (Geol)

" 94-22 (3-5, 7-8, 10 11, 14-15+17)

" 94-22 (6-9)

" 35-25-1

Later references.

" 70-26 (1-2)

" 121-27. nil

" 77-28-1

" 99-30-1 & " 99-30 (2-4)

preserve

(6)

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. One

Part B for Sydney

SUBJECT

Negotiation with messrs John Layton & Sons for the development of Gold mining Industry in the State.

G. R. S. 58]

Previous references.

1915.

(Land Rev)

File No. 37-15

Serial Nos. 34 & 50

Later references.

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 34 & 50

Part B for August 1915

SUBJECT.

Sanction of 5 pay bills of process servers of Vorkote and Anekal Taluks for 1914

Rec Rev Comm^r. No R 2179-80 & 27.8.15

Authorises investigation of the claims referred to in L 34.

GPB—10,000—23-8-15

Lr Kalakrishnaya.
17-9-15.

Memo No 30

REPLY.

(To be written on this margin.)

Office of the Dewan of Mysore.

NOTE.

Dated.....10th July.....*1926*.

Sect. 47-26-

To

The Revenue Secretary to Government
with complimer

Mr. Ralph Nye is interviewing the Dewan on Wednesday the 14th instant at 3 p.m. He wants to discuss "one or two matters" connected with the Gold Mines.

2) The Dewan will be glad to have short notes on any outstanding questions that may come up for discussion at the time, together with the connected papers.

By order,

Private Secretary to the
D e w a n.

3) A note may kindly be prepared and sent to me on Tuesday 13th

10.7.26

Ass't Secy) 4) Submitted with the file[illegible] for [illegible]
I have put up a note 10/7/26 to Chief

R Secy) 13/7.

WD 01264—GPB—40,000—17-12-25

General and Revenue Secretariat | Ger File No. 47 of 1926

Serial No.

5) A note on the negotiations with Messrs John Taylor & Sons, for the development of Gold Mining Industry in the State.

6) The negotiations have been going on between the Govt & Messrs John Taylor & Sons, for the past some years.

Flag Z, page 8

7) In 1920, the Company were addressed as to whether they were prepared to undertake gold prospecting in the State, on the terms of the original Hogarth concession — according to which they were to be given the exclusive right to prospect for gold for a specified period, within a specified area, under certain conditions, on forming a Syndicate with ~~sufficient~~ adequate capital, to carry on efficient prospecting work. The Company replied that the terms of the Hogarth concession were not sufficiently attractive to induce people to invest their capital for gold prospecting in the State and suggested that the matter might perhaps be further ~~discussed~~ considered, if the Govt were prepared to undertake a substantial part of the cost incurred in prospecting.

8) In the meanwhile, there were a number of applications for prospecting licenses for gold in the K.G.F. area and gold, which was one of the ~~reserved~~ mineral reserved in the G.O. of 29th April 1920, was again freed from restrictions in the G.O. dated 6.11.22.

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9) While matters stood thus, Messrs John Taylor & Sons put forth certain proposals before Govt in

NOTE—Contn. Sheet

WD 01264—GPB—40,000—17-12-25

General and Revenue Secretariat | Ext File No. 47 of 1926

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Q

Nov 1922, regarding the further development of gold mining in the State. The substance of these proposals was that the Company (the firm) was to be given the exclusive right of selecting gold areas, and of prospecting & testing these areas for gold with option to take out mining leases in the names of Developing Companies to be formed and that in return the Govt was to receive a 10% interest in each initial Developing Company so formed. After further discussing these proposals with Mr Bosworth Smith (on behalf of the Company) the late Dewan was of opinion that the Govt should not be satisfied merely with the levy of the royalty from gold mining Companies to which they are entitled, but that they should take a more active part and secure a proprietory interest in the industry, so as to participate in the profits.

4, 10) Under the orders of H.H. approving that further negotiations might be opened with Messrs John Taylor & Sons on the above lines and that a suitable scheme might be formulated, the Company were addressed in the matter: but they stated, in reply, that the proposals were not sufficiently attractive to investors and put forward certain Counter proposals for the consn of Govt. According to their proposals the Govt were to receive 10% of the nominal capital of the Prospecting Syndicate (to be formed) instead of the 'Developing Company' proposed by the Govt; and they Govt were to waive the usual 5% royalty on the gold output and

P

NOTE—Contn. Sheet

WD 01264—GPB—40,000—17-12-25

General and Revenue Secretariat | Govt File No. 47) of 1926

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instead, accept 7½ royalty on dividends as & when paid by the ultimate developing companies. The proposals were further discussed by Govt, with a representative (Mr Henry Taylor) of Messrs John Taylor & Sons on the 28th Dec 1923; and they were requested to state whether they had any further proposals to make, with reference to their discussions with the Dewan. After some further correspondence the Company were informed that the Govt were unable to agree to any modification of the existing rules for the levy of royalty recoverable on the gold output and that they might communicate their further proposals if any for the exploitation of gold in the State, on the above understanding.

ii) Since then, the Company have not put forward any fresh or modified proposals before Govt.; and the file was closed, for the time being - present

The points for consideration now are

i) Whether messrs John Taylor & Sons (thro Mr Ralph Nye) have any modified proposals for the gold exploitation in the State?

ii) Are the conditions that may be suggested by them, acceptable?

(It would seem that the question of royalty on gold mined, may not be mixed up with this question as that is an item of revenue to which the Govt are entitled by right, as the proprietors of mineral rights in those lands.)

NOTE—Contn. Sheet

MG 13/7/26

Serial No.

(12) A note giving a brief abstract of the negotiations with Messrs. John Taylor & Sons for the development of gold mining in the State, prepared by the Assistant Secretary is submitted.

(13) In their latest letter on the subject dated 24th May 1923, Messrs. John Taylor & Sons stated that they would be able to induce investors to take interest in prospecting for gold in the State on the following conditions:-

Geol-94-22-4

(1) That Government should receive 10 per cent of the nominal capital of any Syndicate formed for prospecting purposes.

(2) That they should waive any royalty on the value of the output of gold and accept in its place, a royalty of 7½ per cent on the dividends as and when paid by the ultimate "Development Company or Companies"

(14) These terms ~~are~~ were slightly modified. At a discussion that Mr. John Taylor had with the Dewan on the 28th December 1923, when he stated that his firm would be agreeable to give a royalty of 7½ per cent on the net profits as against ~~on~~ the dividends as originally proposed. He also explained that a 10 per cent interest in the prospecting company would give Government a powerful voice in determining the terms on which ~~the~~ a Mining Company should be subsequently formed. Government replied, however, in their letter dated 13th August 1925 that they are unable to agree to any suggestions involving a modification of the present system of calculating

Geol-94-22 (Note-p-84)

Geol-94-22-16

NOTE—Contn. Sheet

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Ecol. 94-22-12

royalty on output. In their letter dated 3rd September 1925, the firm simply stated that Mr. A.E. Taylor would discuss this subject with the Dewan when he next visited Bangalore

CRM 14.7.26

Dewan)

(15) JM 14.7.26

CRM 14.7.26

WD 14/7/26.

16) may this note be recorded with the present orders. For orders

RD 15/7/26. R See')

WD 15/7

17) Yes CRM 15.7.26

WD

DEWAN'S OFFICE. Received on 14 JUL. 1926 Reg. No. 301.

GEN. & REV. SECRETARIAT 15 JUL 1926 INDUSTRIES & COMMERCE BRANCH.

NOTE—Contn. Sheet